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HB 2607

Thank you, Chairman Johnson, and members of the committee.

HB 2607 provides an option for counties to allow their Property Tax payers to pay their Property Tax in either 12 monthly, or 4 quarterly installment payments. This will allow for the advance payment of property taxes for taxpayers who would prefer to pay their taxes in smaller incremental payments, rather than in two much larger payments in December and May. This installment payment plan was proposed by the cities in Montgomery County, to hopefully reduce the growing amount of delinquent property taxes payments in the county which are impacting the cash flow of the taxing units in the County. It should be noted, that many other counties in Kansas are also experiencing growing property tax delinquencies, and this plan would also be available to them, if they elected to adopt it.

Some key points of HB 2607 to keep in mind are:

- (1) The installment plan will have no fiscal effect on the amount of taxes collected, in fact, it could increase the amount of taxes collected on time because of more manageable payment options. The plan is applicable to real property taxes and any special assessments levied against the primary residential property of the taxpayer.
- (2) The installment plan is totally at the option of an individual county. The plan can be implemented by the adoption of a resolution by the Board of Commissioners. The County may elect to offer the Monthly installment plan only, the Quarterly installment plan only or, they may elect to offer both. The county has no obligation to remind the taxpayer of upcoming, or past due payments, and is not obligated to take any additional action not otherwise required by law to collect any outstanding payments.

(3) The taxpayer must file an application to participate, it is not an automatic, and the plan can be renewed each year without a new application, if tax payments are current, and the renewal is agreed to by the taxpayer and the County Treasurer

(4) The property shall be the primary residence of the taxpayer, and the property must be classified as a residential property.

(6) All property taxes must be current before participation is allowed.

(7) The county, if they elect to participate in the installment payment program, will have the option to elect to charge a minimal fee, not to exceed \$2.50 for each monthly installment, and not to exceed \$5.00 for each quarterly payment.

I believe, since county participation in the plan is optional, each county will have the opportunity to study the possible impact and cost, and, if desired, develop ways to adjust prior to choosing to elect to opt into either, or both installment options. Accordingly, this election will have the potential to provide a win-win for the taxpayer, and the county by helping taxpayers more easily deal with, and budget for their property tax payments. For the county, the optional installment plan could possibly accelerate tax receipts with little additional cost while at the same time providing a positive benefit to their taxpayers, and to the taxing units they live in by reducing delinquent property tax payments.

Thank you for your consideration of HB 2607, which provides a convenient, and low cost option to help impact the growing delinquent tax payments they, and their taxing units, have been trying to overcome. I will be happy to stand for any questions at the appropriate time.

A handwritten signature in black ink, appearing to read "Jim Kelly". The signature is stylized and cursive.

Jim Kelly
Kansas House District #11